

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA
Criminal No. 20-232 (JRT/DTS)

UNITED STATES OF AMERICA,

Plaintiff,

v.

**GOVERNMENT'S PROPOSED
STATEMENT OF THE CASE**

5. DAVID JOHN MOULDER,
6. ANTONY EUGENE MOULDER,
8. BARBARA ANN MOULDER, and
10. JEFFREY LEE SMOLIAK,

Defendants.

The United States of America, by and through its attorneys, Andrew M. Luger, United States Attorney for the District of Minnesota, and Joseph H. Thompson, Harry M. Jacobs, Matthew S. Ebert, and Melinda A. Williams, Assistant U.S. Attorneys, respectfully submits the following proposed statement of the case.

Statement of the Case

This is a criminal case, brought against the defendants by the United States. The defendants are charged with various counts of conspiracy to commit mail fraud, mail fraud, and wire fraud. Those charges are set forth in what is called an Indictment, which I will summarize as follows:

The Indictment charges the defendants with devising and carrying out a fraudulent telemarketing scheme. The scheme involved a nationwide network of telemarketing companies involved in fraudulent sales of magazine subscriptions. These companies used sales scripts to defraud victim-consumers, many of whom were elderly and otherwise vulnerable, across the United States. The fraudulent sales

scripts were designed to induce consumers, through a series of lies and misrepresentations, into unwittingly signing up for expensive magazine subscriptions. The defendants accomplished their fraudulent scheme by calling victim-consumers who had one or more existing magazine subscriptions and offering to “renew” the existing magazine subscriptions, often at a reduced cost. In reality, the defendants were not calling to renew or reduce the price of the existing subscriptions. Instead, the defendants tricked their victims into signing up for entirely new magazine subscriptions, which they did not want and often could not afford.

As part of the scheme, the defendants and their companies purchased lead lists containing information about consumers who had active and ongoing magazine subscriptions through other companies. Many of the lead lists identified the magazines to which the individuals were currently subscribed and the credit card number or other payment information used to pay for the subscription. Telemarketers then called the victims on the lead leads using scripts containing fraudulent sales pitches. The scripts directed the telemarketers to claim—falsely—that they were calling from the victim-consumers’ existing magazine subscription company and about an existing magazine subscription. The telemarketers claimed—again falsely—to be calling with an offer to renew the victim-consumer’s existing magazine subscription, often at a reduced cost. In reality, the companies had no existing relationship with most of the victim-consumers and the telemarketers were not calling about an existing magazine subscription. Instead they were calling to

defraud them by tricking them into unwittingly signing up for entirely new magazine subscriptions.

Date: December 12, 2022

Respectfully submitted,

ANDREW M. LUGER
United States Attorney

BY: /s/ Joseph H. Thompson
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